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Capital Improvements Budget

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MAXTON
NORTH CAROLINA

PHILIP S. LETSINGER ▫ ARCHITECT / PLANNER ▫ RALEIGH, NORTH CAROLINA

CAPITAL IMPROVEMENTS BUDGET
1978-79 through 1983-84

PREPARED FOR ____________________ THE TOWN OF MAXTON, NC

WILLIAM S. CHESTNUT, MAYOR
MORRISON S. McKENZIE, TOWN MANAGER
ANGUS M. MEDLIN, TOWN CLERK
PRESTON H. PAGE, TOWN PLANNER

COMMISSIONERS:

R. L. McCABE
O. W. FERRENE
JAMES P. WRIGHT
O. L. MURRAY
MRS. J. H. GWINN

PREPARED BY ____________________ PHILIP S. LETSINGER, ARCHITECT/PLANNER
RALEIGH, NORTH CAROLINA

JUNE 1978

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I. INTRODUCTION

Municipal governments are established to provide a variety of necessary and desirable services to the residents and businesses within densely developed urban areas. Municipalities are authorized to establish their boundaries and to collect revenues for the services they provide. These services are provided collectively by the Town to its citizens because it can more efficiently provide the services and more equitably raise the necessary revenues to pay for those services.

A variety of expenses, such as salaries, utilities, supplies, buildings, land, trucks, interest, insurance, and professional fees, is incurred in the provision of municipal services. These expenses are usually divided into two categories for fiscal analysis and planning: current or operating expenses and capital outlay. Current or operating expenses are those services and assets that are used up as the service is provided. Current expense items usually cost less than most capital outlays and occur at roughly the same level each year. Capital outlays are usually expensive or more costly, are non-recurring or are less frequent, and result in assets that last a longer period of time. The consequences of most capital outlays is therefore more important both for current fiscal planning and for future provision of services.

Municipal services such as fire protection, street maintenance, refuse collection, recreation and others may be provided at different levels with the Town Board of Commissioners determining the policies for the Town and establishing the sources of revenues to pay for those services. To a great extent, the cost of municipal government depends on how many services it provides and how well it does each one. Expenditures for the town may remain relatively static, maintaining only existing services at current levels for the existing population. In this case capital outlays would only be required to replace or maintain existing equipment and facilities. If the Town grows, capital improvements will be needed to extend water and sewer lines, to buy additional police cars, and to expand or add to other equipment and facilities. If the Town decides to improve existing services such as fire protection or to add a new service such as historic preservation or business district parking, the Town would be involved in providing new capital improvements for those additional services.

The Land Development Plan prepared in 1977, provides a long range look at the future development of Maxton, and it includes plans for the expansion of town services and facilities to serve both existing and future development. The Capital Improvements Program is a means to plan for the actual construction or purchase of the needed facilities and to plan for their expenditures.

The Board of Commissioners is responsible for sound fiscal policy as well as setting sound policies for the various municipal services. The Board must adopt a balanced budget, raising sufficient revenue to meet the expenses of the services provided by the Town. While balancing each annual budget, the Board must also consider the long range efficient

use of funds and facilities. The Capital Improvements Program and Budget has been prepared to assist the Board in making wise decisions concerning both fiscal matters and the acquisition of capital improvements. Some of the possible benefits and uses of the C.I.B. are:

- It informs the citizens of the total needs and resources of the Town. Support for specific projects and general fiscal policies can thus be secured.

- It allows the Town to better evaluate the needs and preferences of the citizens and to apply better criteria to the investment decisions, thus insuring that more rational decisions are made between competing objectives. By reviewing the C.I.B. every year or every two years, each project is also subject to multiple review and evaluation so that hasty decisions are not necessary.

- Crises are avoided, both fiscal and facility. The Board can foresee when facilities must be replaced, expanded, or acquired and can also foresee the financial requirements in time to make fiscal policy decisions.

- Tax rates and service charges can be leveled out and wide fluctuations can be avoided by planning for the necessary capital expenditures.

- The C.I.B. will allow the Board to make good use of the Town's bonding power by keeping debt service within the Town's ability to pay and also by maintaining adequate bond reserve for emergencies. The Board can also distribute capital improvement costs equitably between current tax payers and future tax payers by determining whether to finance improvements from current revenues or from bond issues.

- Various capital improvements can be coordinated, thus saving the Town money. Any water and sewer lines can be installed or replaced before a street is paved, thereby avoiding costly patching and repair.

- Land for sewage pumping stations, cemetery expansion, parks, and other facilities can be purchased ahead of actual need while there is some choice of location or before general development increases land values. By buying ahead of need, the Town can buy on favorable terms and in desirable locations.

- The Town can be assured that it can meet the needs of future development by extending utilities and expanding its services. The Town can also direct or influence development by deciding where and when to extend utilities.

- Finally, by following the C.I.B., the Town Board can adequately plan for needed facilities, allowing time for thorough design, acquire land, secure favorable financing, and coordinate other services.

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There are many unknown factors in any plan and it is impossible to predict the future with certainty. Therefore, this Capital Improvements Budget is based on the following basic assumptions:

1. The citizens are willing to pay for both the operating expenses and the facilities and equipment required for the town services.
2. The citizens will support bond referendums when current revenues are not adequate for capital improvements.
3. Local allocations of state collected taxes will not change substantially.
4. There will be no major fluctuations of the local economy, and there will be a gradual increase in employment.
5. Costs will continue to increase due to inflation.

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II. THE CAPITAL IMPROVEMENTS BUDGET

A capital improvements budget is a fiscal planning tool that lists public facility and equipment requirements, places these requirements in order of priority, and schedules them for funding and implementation during the six year period. The budget also relates expenditures for the capital improvements to the overall revenues and expenditures of the Town. This study is primarily concerned with capital improvements, and analysis of operating expenses is included only to the extent necessary to roughly project future operating expenses.

Capital improvements or capital outlays, for purposes of this study, are defined as follows:

1. The project or item costs a considerable amount of money relative to the Town's regular on-going expenditures (approximately $1000. or more).
2. The project or outlay does not recur annually, and
3. The expenditure is for a new, expanded, or renovated facility of a permanent nature; a piece of equipment lasting 5 years or more; or for the purchase of land for a community facility.

The C.I.B. enables the Town to provide for the orderly replacement of capital facilities and equipment. To maintain the quality and efficiency of public services, the equipment, buildings, and other improvements involved must be replaced or repaired periodically. For example police cars must be replaced every two or three years, sanitation trucks every six to twelve years, and fire trucks every twelve to twenty years. Public buildings have a useful life of fifteen to twenty years before renovation may be necessary. Streets, storm drains, water lines and sewer lines have long lives but still require repairs and eventual replacement. In addition to replacement of facilities that wear out or become obsolete, it will be necessary to expand and extend the Town's facilities to accommodate new development and a growing population. There may also be new facilities required for new services or improved levels of existing services.

METHODOLOGY

The six year time period is chosen for the C.I.B. because experience in other communities has shown this to be a workable and realistic period. A forecast period of this length allows the town officials to see capital needs far enough ahead to plan for them and also to review projects at several stages before final authorization and funding are required. A longer time period is not as practical because conditions are not as predictable ten years from now. The C.I.B. would then either become too general, or if detailed, the number of projects would become too cumbersome.

The capital improvements were selected from those facilities included in the Land Development Plan and from a review of the existing equipment and facilities used by the various municipal departments. Costs were estimated for each of the projects or pieces of equipment, and

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The capital improvements were selected from those facilities included in the Land Development Plan and from a review of the existing equipment and facilities used by the various municipal departments. Costs were estimated for each of the projects or pieces of equipment, and the improvements were then assigned to a fiscal year based on the priority for that improvement. The method of financing each of the capital improvements was analyzed and a specific method was selected based on the cost and the life of the improvement and the sources of revenues available at the time the improvement was needed.

The Capital Improvements Budget was established by first determining the total capital improvement needs and then raising the revenues to meet projected operating expenses as well as capital improvements. Projections or forecasts of both revenues and expenditures are discussed in Section V, Financial Analysis. Projects and financing were adjusted to arrive at a stable tax rate at a reasonable level for the Town.

ANNEXATION

Several of the major capital improvements are related to areas proposed for annexation (see Annexation Study, 1978). The areas proposed for annexation are incorporated into the Capital Improvements Budget on the following tentative schedule:

1. East Maxton - 1979 - Pending funding of the Community Development Block Grant in 1978 and completion of the sewer project in 1979, revenues and operating expenditures are incorporated into the C.I.B. beginning in the 1979-80 fiscal year.
2. South Austin Street - 1979 - Revenues, capital improvements, and operating expenditures are incorporated into the C.I.B. beginning in the 1979-80 fiscal year.
3. North Maxton - 1980 - Revenues, capital improvements, and operating expenditures are incorporated into the C.I.B. beginning in the 1980-81 fiscal year. A portion of the sewer line extension is included in the 1979-80 fiscal year, pending completion of the East Maxton sewer line project.
4. West Maxton - 1980 - The sewer system project is included in the 1979-80 fiscal year to allow adequate time for project design and approval of the bond issue. Revenues and operating expenses are incorporated into the C.I.B. beginning in the 1980-81 fiscal year.

The tentative annexation schedule has been established to allow adequate time to plan for the necessary capital improvements and their financing. There are many advantages to having all possible areas annexed by 1980 so these areas will be included in the 1980 decennial census.

III. FINANCING CAPITAL IMPROVEMENTS

There are many ways for the Town to acquire the planned public improvements, most requiring town revenues but with varying effects on annual budgets. Listed below are the various methods of acquiring improvements used in this budget as well as some other methods for consideration by the Town Board.

CURRENT REVENUES

Current revenues are usually programmed for Capital Improvements in the annual budgets. Financing from current revenue, the "pay-as-you-go" policy, is feasible for smaller projects but has its disadvantages for comparatively large and expensive projects. Larger, more expensive projects result in unusual fluctuations in the tax rate which could be stabilized by distributing the costs of major projects over several years with long-term bonds.

CAPITAL RESERVE FUNDS

Capital Reserve Funds are municipal savings funds to which monies are added from the general fund, special tax levies, or other special funds. These monies are set aside by ordinance for future necessary capital expenditures as specified in the General Statutes. These funds help to even out infrequent large capital expenditures when planned in advance.

BONDS

Municipal governments may finance capital improvements through the sale of bonds, the equivalent of a loan or mortgage. In this manner the Town may acquire a capital improvement immediately by borrowing money and then pay for the improvement by paying back both the principal and interest over the life of the bond.

The General Assembly regulates the use of bonds by municipalities with different regulations for different types of bonds.

General obligation bonds are approved by a general vote of the citizens, and the assessed valuation of property in the municipality is, in a sense, pledged as security toward payment of general obligation bonds. These bonds are therefore, in effect, tax liens on all assessable property in the town. State law limits the net bonded indebtedness of municipalities to eight percent (8%) of assessed valuation. General obligation bonds for water and sewer projects are not generally subject to the 8% debt limit. State law requires that the full amount required for debt service (principal and interest) during the fiscal year be appropriated in the annual budget.

General obligation bonds may be financed out of property taxes, benefit assessments, utility revenues, or even Federal Revenue-Sharing funds. However, the obligation remains the same in that if other funds

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General obligation bonds may be financed out of property taxes, benefit assessments, utility revenues, or even federal Revenue-Sharing funds. However, the obligation remains the same in that if other funds are not available or appropriated by the local governing body, the North Carolina Local Government Commission may order the unit to make the necessary appropriation or may even levy the local tax itself.

The Farmers Home Administration aids rural communities by buying bonds for their various capital improvements at or below the interest rates available on the public market. This assures smaller communities that their bonds will be sold at a rate favorable to the community.

Revenue bonds are a form of municipal obligation retired through the revenues or earnings of a municipal facility, constructed or financed originally by the proceeds of the bond sale. Rates or charges are imposed on the users of the utility or facility in order to recover the costs of financing construction. There are certain regulations imposed by General Statutes although revenue bonds do not count against the municipality's bonding capacity. Revenue bonds normally carry a higher interest rate than general obligation bonds, and it is not likely that this method of financing would be necessary for Maxton.

STATE AND FEDERAL AID

Grants and loans from both state and federal governments have become an increasingly important means of financing local capital improvements in recent years. Some grants cover the complete costs of a project while others are often incentive grants, requiring the Town to pay a certain percentage of the costs. Several of the scheduled projects are designated for funding through either federal or state grants. The Town will better be able to take full advantage of future grant programs by having capital improvement projects already planned in the C.I.B. Where appropriate, the source of funding for projects can be switched to state or federal aid programs thereby reducing the local tax burden.

PRIVATE GIFTS

Private individuals, groups, clubs, and businesses often donate land, money, buildings, labor and equipment to communities. The Town should carefully evaluate proposed donations to determine the long term advantages and possible liabilities of such donations which may have certain restrictions. Donations can, however, provide very desirable facilities which would be otherwise difficult to fund locally.

BENEFIT ASSESSMENTS

Assessments may be levied upon certain property especially benefitted by an improvement. Such special assessments may be levied against property fronting on a street to be paved or for a water or sewer line which is to be extended. Special assessments usually apply also to churches and other non-profit institutions which are usually exempt from property taxes. The Town has not used benefit assessments in the past, and before adopting any new policies, the Town Board should determine how to most fairly make a change. All currently existing developed areas, both are not available or appropriated by the local governing body, the North Carolina Local Government Commission may order the unit to make the necessary appropriation or may even levy the local tax itself.

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SUBDIVISION REGULATIONS

Public improvements serving new subdivisions could be acquired at little or no cost to the Town if the Town adopted Subdivision Regulations requiring the subdivider to provide certain improvements. Currently, the Town policy is to grade and pave streets and install water and sewer lines at no cost to the developer. Very few municipalities subsidize new development to this extent. It may be reasonable to continue this policy for property which has been in the Town many years and for which the owner has been paying municipal taxes. However, the Town Board should carefully examine their policies and adopt Subdivision Regulations which would require the subdivider to provide the necessary improvements in an equitable manner. Otherwise the growth of the Town and extension of its services will be prohibitively expensive for the existing taxpayers.

SUMMARY

New sources of revenue, private gifts, state and federal grant programs, and changes in legislation may activate specific improvement projects and advance them to the six year Capital Improvements Program or advance a project already in the Program to the current year's Capital Improvement Budget.

Changes in revenues may also require deferral of projects, resulting in a "planned projects reserve" or a list of "deferred projects" which are carried along and reviewed annually until funding is available.

IV. THE CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program consists of the listing of capital projects for the six year period by the year proposed for funding. The estimated costs of these projects may be incorporated into the annual budget as the Board prepares each annual budget. A description of each project follows, including a brief explanation, estimated costs, proposed method of financing, and the proposed year in which the project is to be funded.

ADMINISTRATION

---

1. EQUIPMENT & FURNITURE (1979-80) $ 1,000
   An additional electric typewriter will be required by FY 1979-80.
2. COMPUTER/BOOKKEEPING MACHINE (1978-1983) $20,000
   A small computer or a bookkeeping machine should be purchased to more efficiently handle the various billing functions of the Town. A capital reserve fund with $4,000 set aside for each of 5 years is suggested to allow for purchase of the equipment in FY 1982-83.
3. TOWN CAR (1981-82) $ 5,800
   The present town car, purchased in 1977, has an estimated efficient life of four years. The cost has been increased to allow for an annual increase in cost of about 4% per year.
4. TOWN HALL ADDITION (1980-82) $84,000
   The Town currently leases space for the District Court and is reimbursed by the Court for the facilities. The present lease ends in 1981, and the Town could build a multi-use court room adjacent to the Town Hall for the District Court. The court facilities could be used for Town Board meetings and other community functions. The existing Town Board meeting room could be converted to administrative office space as required. Approximately 2,000 square feet of space would be required at a cost of at least $80,000. Design fees for the project, included in the 1979-80 fiscal year, are paid from current revenues. Construction costs are funded by a bond issue at 5% interest payable over a 20 year period. The Town would continue to receive court costs from the District Court (currently about $3,600 per year) and this revenue could be applied to the bond debt service for the facility.

POLICE DEPARTMENT

5&6. PATROL CARS 1 & 2 (every year) Cost varies
   The Town currently operates two police patrol cars and these cars should be replaced every two years in order to maintain efficient vehicles.

7. PATROL CAR 3 (1980-81, 1982-83) Cost varies

The Town will need to add another police patrol car to provide adequate police protection to areas scheduled for annexation.

8. MISCELLANEOUS EQUIPMENT

No major equipment for the Police Department is proposed for the six year period.

9. HEADQUARTERS (1981-82) $50,000

The existing police headquarters is inadequate for efficient operation of the current staff. A new headquarters adjacent to the new jail and fire station is suggested with approximately 1,200 square feet of space costing $50,000. The police staff could more efficiently provide the required constant supervision of prisoners in the jail if the police headquarters were adjacent. It is suggested that construction costs be funded by the same bond issue for the Town Hall Addition.

FIRE DEPARTMENT

10, 11, & 12. PUMPERS (1978-79 - 1984-85) $ 5,000/yr.

A capital reserve fund is suggested for purchase of a new pumper in the 1984-85 fiscal year at a cost of about $45,000. The new pumper would become the Number 1 pumper and the 1938 pumper would be retired. Funds allocated for the C.R.F. could come from Federal Revenue Sharing, Robeson County contributions, or current general revenues, depending on availability.

13. EQUIPMENT

No other major equipment is scheduled for the six year period.

CEMETERIES

---

14. OAK GROVE (1980-81) $ 5,000

Purchase of an additional 5 acres is suggested by 1980-81 to allow for expansion of the cemetery. Early purchase of land is necessary before development raises land price.

15. McLEOD

Existing land is adequate for foreseeable development of the cemetery.

STREETS

---

16. PAVING, CURB & GUTTER (every year) Amount varies

17. STORM DRAINAGE

Lump sum allocations for street improvements are included for each year. It is suggested that, for future C.I.P.'s, estimates for all required future streets improvements be made and individual projects then be assigned to fiscal years by priorities. This would give the Town an overall street improvement program and better enable it to schedule completion of the program within the projected revenues.

PUBLIC WORKS

18. GARAGE/WAREHOUSE (1978-79) $125-160,000

The existing public works garages and warehouse are dilapidated and inadequate for current oeprations. They are an eyesore and do not provide either adequate security for equipment and materials or efficient work space. A new structure with 12,000 square feet of space is suggested at a cost ranging from $125,000 to $160,000 depending on specific requirements. The new facility would be constructed at the location of the existing garages. A new round of federal grants for public works is anticipated in the 1978-79 fiscal year, and this is the suggested type of funding for this project.

PUBLIC WORKS EQUIPMENT (every year) Costs vary

19-34. The various existing and proposed items of equipment used by the Public Works Department for street maintenance, water and sewer maintenance, and other Town services are listed and scheduled for replacement, major repair or purchase. Sources of funding are noted for the different items. Items noted "W & S" are those items included in Table 5, Water and Sewer Fund Expenditures.

WATER SYSTEM

35. WELL & ELEVATED STORAGE (1979-80) $250,000

The Town presently needs another well and an additional 300,000 gallons of elevated storage. The Town already owns a site at the south-east corner of Fourth Street and Rockingham Road for the elevated storage tank. Funding of this project by the Robeson County Water System is anticipated.

36. ANNUAL SYSTEM CAPITAL IMPROVEMENTS (every year) Amount varies

An increasing amount is allocated each year for replacement of undersized or worn out existing water lines and for new extensions. These amounts are adequate for minor extensions and replacements but would not be adequate for any major extensions.

SEWER SYSTEM

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37. "201" TREATMENT & SYSTEM (1979-80)

The "Laurinburg/Maxton 201 Wastewater Facilities Plan, 1976", suggested provision of a reaeration basin and a standby generator for the treatment plant. The Plan also called for a detailed evaluation and rehabilitation of the existing collection system to eliminate infiltration/inflow. Funding of these activities is dependent on federal or state grants.

38. ANNUAL SYSTEM CAPITAL IMPROVEMENTS (every year) Amount varies

The allocations shown are for replacement of minor sections of the existing lines and for minor extensions. The amounts allocated are the balance of the Water and Sewer Fund after operating expenses, debt service, capital equipment, and annual water system capital improvements are deducted from projected revenues. Major extensions to the sewer system are shown separately.

39. EAST MAXTON (1978-79) $500,000

The East Maxton sewer project includes two lift stations, sewer mains, force mains, and 230 sewer connections. The Town has applied for a single purpose Community Development Block Grant to fund this project. Completion of this project would enable the Town to proceed with annexation of the East Maxton area.

40. NORTH MAXTON (1979-80) $ 15,500
(1980-81) $ 60,000

The allocation for FY 1979-80 is for extension of sanitary sewers along McCaskill Avenue and Buddy Row following completion of the East Maxton Sewer Project. The allocation for FY 1980-81 is for extension of sewers to serve Secondary Road 1369 north west of Maxton. The 1979-80 project is proposed for funding from current revenues and the 1980-81 project is funded by the Sewer Bond. Both projects are prerequisites to annexation of these areas.

41. WEST MAXTON (1979-80) $390,000

This major project includes a lift station and sanitary sewers to serve a small area within the existing corporate limits north west of Brooklyn Street and the developed area west of Maxton including Scotland Forest. A general obligation bond is proposed for this project which must be completed in order to provide sewer service to those areas proposed for annexation.

42. SOUTH AUSTIN STREET

Minor extension will be required when the South Austin Street area is annexed. However, it is expected that the necessary improvements can be included in the amount allocated for Annual System Capital Improvements.

ANNEXATION BOUNDARY SURVEYS

43.	EAST MAXTON (1978-79)	$ 1,600
44.	NORTH MAXTON (1979-80)	$ 2,600
45.	WEST MAXTON (1979-80)	$ 1,900
46.	SOUTH AUSTIN STREET (1978-79)	$ 1,250

Boundary surveys for annexation are not "capital improvements", but they are major one-time expenses which similarly affect the Town budget and should be included in the C.I.B.

TABLE 1, CAPITAL IMPROVEMENTS PROGRAM

DEPARTMENT/ITEM	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	COMMENTS
ADMINISTRATION							
1. MISC. EQUIP. & FURN.		$ 1,000					TYPEWRITER
2. COMPUTER/BOOKKEEPER	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000		C.R.F. - PURCHASE 1983
3. TOWN CAR (77 FORD)				$ 5,800			EST. 4 YEAR LIFE
4. TOWN HALL ADD. (COURT)		$ 4,000	$ 40,000	$ 40,000			DESIGN 1979-80 ($80,000 BOND ISSUE)
POLICE DEPARTMENT							
5. PATROL CAR #1 (77 PLY)	$ 5,800		$ 6,300		$ 6,950		REPLACE EVERY 2 YEARS
6. PATROL CAR #2 (73 FORD)		$ 6,000		$ 6,600		$ 7,300	REPLACE EVERY 2 YEARS
7. PATROL CAR #3 (FUTURE)			$ 6,300		$ 6,950		ADD CAR WITH ANNEXATION
8. MISC. EQUIP.							
9. HEADQUARTERS				$ 50,000			($50,000 BOND ISSUE)
FIRE DEPARTMENT							
10. PUMPER #1 (1974)							CAPITAL RESERVE FUND TO
11. PUMPER #2 (1957)							PURCHASE NEW PUMPER IN
12. PUMPER #3 (1938)	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	1984-85 TO REPLACE PUMPER
13. EQUIPMENT							#3 EST. COST $45,000
CEMETERIES							
14. OAK GROVE			$ 5,000				ADD 5 ACRES @ $1,000/ACRE
15. McLEOD							
STREETS							
16. PAVING, CURB & GUTTER	$ 25,500	$ 27,000	$ 15,000	$ 34,000	$ 39,000	$ 45,000	
17. STROM DRAINAGE							
PUBLIC WORKS							
18. GARAGE/WAREHOUSE	$160,000						($125-$160,000 - PUBLIC WORKS)
PUBLIC WORKS EQUIPMENT							
19. PICK UP #1 (70 CHEV)	$ 4,000						REVENUE - SHARING
20. PICK UP #2 (70 CHEV)		$ 4,200					REVENUE - SHARING
21. PICK UP #3 (78 CHEV)							
22. PICK UP #4 (72 DODGE)				$ 4,600			REVENUE - SHARING
23. PICK UP #5 (FORD)			$ 4,400				REVENUE - SHARING
24. 2 1/2 T. TRUCK (69 FD)			$ 2,750				REPLACE WITH USED TRUCK
25. 2 1/2 T. TRUCK (67 FD)		$ 2,600				$ 3,200	FROM D.O.T. - 4 YEAR LIFE
26. TRUCK (73 CH)							(POWELL BILL)
27. DUMP TRUCK	$ 2,500				$ 3,050		
28. STREET SWEEPER (67)			$ 30,000				REPLACEMENT (PB, R-S)
29. GALION GRADER							
30. DOZER - CASE 1150	$ 10,000						MAJOR REPAIR (R-S)
31. TRACTOR (74 I.H.)							10-15 YEAR LIFE
32. BACK HOE (70 I.H.)							15-20 YEAR LIFE
33. BACK HOE (73 I.H.)			$ 8,000	$ 8,000	$ 8,000		3 YEAR LEASE PURCHASE (W & S)
34. MISC. W & S EQUIP.						$ 5,000	(W & S)
WATER SYSTEM							
35. WELL & ELEV. STORAGE		$250,000					CO. WATER SYSTEM GRANT
36. ANNUAL SYSTEM C.I.	$ 6,000	$ 6,000	$ 8,000	$ 8,000	$ 10,000	$ 10,000	(W & S)
SEWER SYSTEM							
37. "201" TREATMENT & SYST.							
38. ANNUAL SYSTEM C.I.	$ 10,000	$ 9,783	$ 15,300	$ 15,377	$ 13,298	$ 16,177	(W & S)
39. EAST MAXTON	$500,000						COM. DEV. BLOCK GRANT
40. NORTH MAXTON		$ 15,500	$ 60,000				CURRENT REVENUE/BOND
41. WEST MAXTON		$390,000					GEN. OB. BOND, FmHA LOAN
42. SOUTH AUSTIN STREET							
ANNEXATION BOUNDARY SURVEYS							
43. EAST MAXTON	$ 1,600						CURRENT REVENUE
44. NORTH MAXTON		$ 2,600					CURRENT REVENUE
45. WEST MAXTON		$ 1,900					CURRENT REVENUE
46. SOUTH AUSTIN STREET	$ 1,250						CURRENT REVENUE
TOTALS							
MAJOR CAPITAL IMPROVEMENTS	$719,650	$713,800	$178,750	$150,000	$ 64,950	$ 60,500	
WATER & SEWER	$ 16,000	$ 15,783	$ 31,300	$ 31,377	$ 31,298	$ 31,177	
TOTAL	$735,650	$729,583	$210,050	$181,377	$ 96,248	$ 91,677	

V. FINANCIAL ANALYSIS

An examination of Town financial statistics for the past seven years was made to determine trends of assessed valuation, bonding capacity, revenues from various sources, and current and capital expenditures. Projections of anticipated revenues were made based on the trends of the last seven years and current knowledge of revenue sources. Projections of both revenues and expenditures were adjusted where there was knowledge of specific effects on those items.

The analysis is organized by the categories used in the annual Town Financial Statements in order to simplify the analysis and keep this study compatible with generally available town financial data. Actual revenues and expenditures are shown for the fiscal years through 1976-77. The figures for FY 1977-78 are from the revised 1977-78 Budget. The figures for FY 1978-79 are projections or estimates made for this study and vary slightly from the Budget proposed for adoption for 1978-79. Interfund transfers are not included in this analysis as revenues or expenditures for the various funds since interfund transfers are revenues or expenditures only in an accounting sense and do not affect the overall budget.

Expenditures and revenues for areas proposed for annexation are incorporated into the analysis as stated in Section II. The Financial Analyses without effects of annexation are included in the Appendix.

EXPENDITURES

The expenditures in Table 6, EXPENDITURES BY FUNCTION, are all for operating expenses except for "Water and Sewer", which includes water and sewer related capital improvements, and "Major Capital Improvements" which includes all of the other Town capital improvements.

"General Government" expenditures include salaries for the Mayor and Commissioners, administrative staff salaries and related expenses, utilities, supplies, professional services, postage, insurance, and refuse collection expenses. General Government expenditures include General Fund expenditures and Revenue-Sharing Fund expenditures for general government including allocations for the Library and recreation. These expenditures have increased an average of 9.9% per year, excluding CETA funds for FY 1976-77. Projected expenditures for General Government are shown in Table 2. Increases in Commissioners' and the Mayor's salaries are shown for FY 1978-79 and FY 1981-82. Administrative expenditures are projected to increase at a rate of 6% per year. No major additional administrative expenses are anticipated for service to annexed areas except for refuse collection. "Other" expenditures for general government include allocations for the library, recreation, cemetery maintenance, community appearance, and contingencies from the General Revenue Sharing Fund. This "Other" category of expenditures may vary considerably in the future as special projects are funded. For this analysis the amount is projected to increase 5% per year from the amount allocated for FY 1978-79. Refuse collection expenses are projected to increase 5% each year plus the addition of annexed areas.

TABLE 2, GENERAL GOVERNMENT EXPENDITURES

FY	Mayor & Town Board	Administration	Other	Refuse Collection	Total	Change
1977-78[B]	$4,620	$ 81,855	$20,600	$48,632	$155,707	--
1978-79[B]	5,040(1)	80,918	11,200	50,000	147,158	- 6.7%
1979-80	5,040	100,048(3)	11,872	68,986(3)	185,946	+26.4%
1980-81	5,040	109,427(4)	12,584	77,454(4)	204,505	+10.0%
1981-82	5,500(2)	115,993	13,339	82,101	216,933	+ 6.1%
1982-83	5,500	122,953	14,139	87,027	229,619	+ 5.8%
1983-84	5,500	130,330	14,987	92,249	243,066	+ 5.8%

Notes:

B	Amounts shown are amounts budgeted.
(1),(2)	Increase of 9% every three years.
(3)	Expenditures for East Maxton, South Austin Street, and North Maxton annexations added to budget.
(4)	Expenditures for West Maxton annexation added to budget.

"Public Safety" expenditures include only current expenses for police and fire protection. Capital improvements for police and fire are combined with others under "Major Capital Improvements." Police expenses are projected to increase at 5% per year plus the addition in FY 1980-81 of expenses for two additional policemen and operation of an additional patrol car required for newly annexed areas. Fire department expenses are projected to increase at the rate of 2% per year. This will only provide for the maintenance of existing services and will not allow for any major improvement of the fire department. However, the major improvements are capital items included under "Major Capital Improvements." No additional operating expenses are anticipated for the annexed areas since these areas are already served by the fire department.

TABLE 3, PUBLIC SAFETY EXPENDITURES

FY	Police Dept.	Fire Dept.	Total	Change
1977-78[B]	$ 77,422	$ 9,360	$ 86,782	--
1978-79[B]	76,840	9,475	86,315	- 0.5%
1979-80	106,932(1)	9,664	116,596	+35.1%
1980-81	112,279	9,858	122,137	+ 4.8%
1981-82	117,893	10,055	127,948	+ 4.8%
1982-83	123,788	10,256	134,044	+ 4.8%
1983-84	129,977	10,461	140,438	+ 4.8%

Notes:

B	Amounts shown are amounts budgeted.
(1)	Salaries for 2 policemen and expenses for patrol car added.

"Streets" expenditures include current expenses for street maintenance from the General Fund and the Powell Bill Fund. Street related capital improvements are included under "Major Capital Improvements." Street maintenance expenditures are projected to increase at the rate of 7% per year. Expenses for the East Maxton, South Austin Street, and North Maxton annexations are included beginning in FY 1979-80. Expenses for the West Maxton annexation are included beginning in FY 1980-81.

"Debt Service" from FY 1970-71 to 1977-78 is for the 1968 sewer project. Debt service for that project from FY 1978-79 through FY 1983-84 is included in Water and Sewer Expenditures. Projected debt service includes bonds for the West and North Maxton Sewer project ($450,000) starting in FY 1979-80 and for the Town Hall Addition and Police Headquarters ($130,000) starting in FY 1980-81. Estimates of debt service schedules are included in the Appendix.

"Water & Sewer" expenditures include both current expenses and water and sewer related capital improvements. Starting in FY 1978-79, "Water and Sewer" includes debt service for the 1968 sewer project. No changes in expenditures are expected when additional areas are annexed other than for capital improvements. Most of the proposed areas are fully served by the water system and additional sewage will not greatly affect operating expenses.

TABLE 4, PROJECTED DEBT SERVICE

FY	Sewer Project	Town Hall & Police HQ	Total
1978-79	--	--	--
1979-80	$22,500	--	$22,500
1980-81	37,500	$ 6,500	44,000
1981-82	36,750	13,000	49,750
1982-83	36,000	12,675	48,675
1983-84	35,250	12,350	47,600

"Major Capital Improvements" include all capital improvements except those related to the water and sewer system. Capital improvements are individually listed in Table 1, The Capital Improvements Program.

TABLE 5, WATER & SEWER FUND EXPENDITURES

Fiscal Year	Current Expenses	Capital Improvements(1)		Debt Service[DS]	Total
		System	Equip.		
1971-72[FS]	$26,210	$ 7,276	---	$10,582	$ 44,068
1972-73[FS]	37,481	6,580	---	10,282	54,343
1973-74[FS]	57,182	12,883	---	9,982	80,047
1974-75[FS]	60,287	12,963	---	9,682	82,932
1975-76[FS]	70,908	3,004	---	9,382	83,294
1976-77[FS]	61,818	10,947	---	9,082	81,847
1977-78[B]	67,830	19,000	---	8,900	95,730
PROJECTION	5%/yr.	C.I.P.	C.I.P.	DS	---
1978-79[B]	68,500	16,000	---	8,500	93,000
1979-80	71,925	15,783	---	8,182	95,890
1980-81	75,521	23,300	$8,000	7,922	114,743
1981-82	79,297	23,377	$8,000	7,622	118,296
1982-83	83,262	23,298	$8,000	7,400	121,960
1983-84	87,425	26,177	$5,000	7,138	125,740

Notes:	B	Source: Annual Budget
	FS	Source: Financial Statements
	CIP	Source: Capital Improvements Program
	DS	Source: 1968 Sewer Project Debt Service Schedule
	(1)	Capital Improvements for FY 1971-72 to 1976-77 are not divided into system and equipment categories

TABLE 6, EXPENDITURES BY FUNCTION

Fiscal Year	General Government	Public Safety	Streets	Debt Service	Total Current	Water & Sewer	Major Cap. Improvements	Reserve Funds	Total Budget
1970-71	$ 95,616	$ 34,131	$12,622	$13,061	$155,430	$ 29,764	$ 4,810		$ 190,004
1971-72	102,388	38,180	30,321	12,723	183,612	32,892	19,976		236,480
1972-73	75,694	41,909	21,524	12,390	151,758	39,604	88,057		279,419
1973-74	104,731	50,662	38,910	10,004	208,443	65,832	24,846		299,121
1974-75	150,456	53,788	29,630	9,708	245,700	71,064	55,902		372,666
1975-76	121,747	60,032	34,374	9,382	228,035	70,406	61,123		359,564
1976-77	(126,917)* 247,618	70,659	29,684	9,104	(238,364) 359,065	90,211	91,059		(419,634) 540,335
1977-78	155,707	86,782	47,578	8,900	298,967	86,830	81,900		476,697
Ave. Inc.	9.9%	14.4%	15.1%			18.4%			
Projection	Table 2	Table 3	7.0%	Table 4		Table 5	Table 1		
1978-79	$147,158	$ 86,315	50,740	$ --	$284,213	$ 93,000	$719,650	$25,000	$1,121,863
1979-80	185,946	116,596	61,353	22,500	386,395	95,890	713,800	70,000	1,266,085
1980-81	204,505	122,137	71,456	44,000	442,098	114,743	178,750	90,000	825,591
1981-82	216,933	127,948	76,458	49,750	471,089	118,296	150,000	5,000	744,385
1982-83	229,619	134,044	81,810	48,675	494,148	121,960	64,950	5,000	686,058
1983-84	243,066	140,438	87,537	47,600	518,641	125,740	60,500	5,000	709,881

Notes: *Amount shown in parentheses () is the expenditure less CETA expenditure for 1976-77. CETA expenditure for 1976-77 was $120,701. CETA expenditures after 1976-77 are handled directly by the county and are not shown in the town budget.

REVENUES

The many sources of revenues are grouped into broad categories with similar types of revenues in each, in order to simplify and make more understandable both the basic sources of revenue and the trends of each. The grouping used in this analysis is consistent with that used by the accountants for the Town Financial Statements.

The broad categories of Revenue sources are Property Tax, Intergovernmental Revenue (Federal, State, and Other), Permits and Licenses, Interest, Charges for Services, and Other Revenue. Individual sources of revenue included in each category are as follows:

Property Tax Collected: Current year tax collection, prior year tax collection, less discounts

Intergovernmental Revenues
Federal: Federal Revenue Sharing

Tax By State: Utilities Franchise Tax, Intangibles Tax, Beer and Wine Tax, Local Option Sales Tax

Other: Powell Bill allocations, miscellaneous Federal grants and reimbursements (Federal grants, Title X, CETA, 701 Planning, Federal Water & Sewer reimbursement, Capital Projects Fund)

Permits and Licenses: Motor Vehicle License, Privilege License, Building Permits and Fees

Interest on Investments: General Fund, Water and Sewer Fund, Trust and Agency Fund (Revenue-Sharing)

Charges for Services: Water & Sewer charges, Water and Sewer taps and connections, Refuse Collection fees, Fire Protection charges

Other General Government Revenues: Fund balances, tax penalties and interest, rents and concessions, A.B.C. store, court costs and fees, cemetery revenues, tax refunds, Anti-Recession funds, Water & Sewer Department rents and concessions.

Property (Ad Valorem) Tax. The Property Tax has traditionally been the major source of revenue for municipal and county governments. Generally all property, real and personal, is subject to property taxation unless specifically exempted. Government owned property used for governmental purposes is exempt, and property used for various purposes (cemetery, education, scientific, literary, cultural, charitable, or religious) may be exempted by state statutes.

A municipality or county may not spend property tax proceeds for any function without the approval of the unit's voters, unless the General Assembly has authorized it to do so by a "general law uniformly applicable throughout the State." Limitations for property tax levies are divided into three groups of functions as follows:

Group I Functions

For functions in this group, a city may levy property taxes without a vote and without restriction as to rate or amount.

Debt Service
Deficits
Suppression of riots and civil disorders

"Debt Service" includes the amount required for payment of principal of, interest on, and fiscal agency fees for general obligation bonds and notes, and also payments into sinking funds maintained for general obligation bonds and notes. It does not include any payments related to revenue bonds or notes.

"Deficits" that may be funded are those created by unintended and unforeseen failures of revenue collections to meet budgeted revenue estimates, when the estimates were made in good faith and in accordance with the Local Government Budget and Fiscal Control Act. However, deficits in the revenues of public enterprises may not be funded. In addition, deficits caused by overspending of appropriations may not be funded.

Group II Functions

For functions in this group, a city may levy property taxes without a vote, but subject to a total rate limitation of $1.50. The limit for Group II Functions may be modified by referendum in two ways: (1) raise the limitation itself or (2) approve a tax for any function within Group II. The tax levied for that function then is not counted against the Group II limit.

General administration
Air pollution control
Airports
Ambulance service
Animal protection and control
Auditoriums, coliseums, and convention centers
Beach erosion and natural disasters
Cemeteries
Civil preparedness
Debts and judgments
Elections
Electric power
Fire protection
Gas transmission and distribution
Historic preservation
Hospitals
Human relations programs
Jails
Law enforcement
Libraries
Mosquito control
Open space
Parking
Recreation
Planning and regulation of development
Ports and harbors and cooperative programs with N. C. Ports Authority
Sewage collection and treatment
Solid waste collection and disposal
Streets
Traffic control and on-street parking
Water supply and distribution
Water resources projects
Watershed improvements projects
Joint undertakings of any of the above

"Ambulance service" includes rescue squads and other emergency medical services.

"Debts and judgments" include debts not evidenced by bonds or notes and judgments for sums of money rendered against the city by a state or federal court.

"Streets" include sidewalks and bridges.

Group III Functions

For functions in this group, a city may levy property taxes only after an approving vote of the people.

Armories
Bus lines and mass transit systems
Cable television
Community action programs
Community development
Cultural activities
Drainage
Economic development
Employment service offices
Manpower programs
Mental health, alcoholism programs
Public housing
Sedimentation control
Urban redevelopment
Joint undertakings of any of the above

Cities are authorized to support art galleries and museums and the North Carolina Symphony Society.

Projections for Property Tax Collected were determined on the basis of need: all other projected revenues were subtracted from total projected expenditures leaving the balance of revenue to be raised through the Property Tax.

Federal Revenue Sharing policies and levels of funding are determined at the national level and therefore are not very predictable. It is likely that some type of federal program will continue and a modest annual increase of 5% is projected from the amount to be received for FY 1978-79. Increases are also shown for areas to be annexed in FY 1979-80 and 1980-81. Although Revenue-Sharing is determined by an involved and complicated formula, estimates for the annexations are estimated on a per capita basis for FY 1978-79.

Tax by State. Allocation methods for these various taxes vary, but an overall annual increase of 6% is a conservative projection based on the last eight fiscal years. Increased allocations are shown for areas to be annexed in FY 1979-80 and FY 1980-81.

Other Intergovernmental Revenues. Revenues for preceding years have included many different sources. Revenue for FY 1978-79 is limited to the Powell Bill allocation of $30,000. This allocation is projected to increase at an annual rate of 1% with increased allocations in FY 1979-80 and FY 1980-81 for the proposed annexations.

Permits & Licenses have increased an average of 5.5% for the last eight fiscal years and a conservative projection of an annual increase of 5% is shown for the period of the C.I.B. Annexation will have little effect upon revenues from permits and licenses.

Interest income depends on capital reserves on deposit in interest earning accounts. These reserves will probably remain at approximately the current level so interest income is projected to remain stable.

Charges for Services include Water and Sewer charges, Refuse Collection fees, and Fire Protection charges. Projections of these charges and fees are summarized in Table 7, "Charges for Services." Water and Sewer Fund Revenues are shown in more detail in Table 8. Water and Sewer Fees are projected to increase at an annual rate of 3% for growth of volume and number of customers. A change in water and sewer rates is suggested for FY 1980-81, amounting to a 17% increase. This 17% increase would be the equivalent of a 5% annual increase in fees since FY 1974-75.

TABLE 7, CHARGES FOR SERVICES

Fiscal Year	Water & Sewer Charges	Refuse Collection	Fire Protection	Total
1975-76	$ 73,329[FS]	$22,699[B]	$300[B]	$ 96,328[FS]
1976-77	92,156[FS] (1)	23,527[FS] (2)	500[FS]	116,183[FS]
1977-78	92,000[B]	26,000[B]	500[B]	118,500[B]
Projection	(Table 8)	+ 6%/yr.	stable	
1978-79	$ 93,000[B] (3)	$38,000[B] (4)	$500[B]	$131,500[B]
1979-80	95,890	52,568(5)	500	148,958
1980-81	114,743	58,931(7)	500	174,174
1981-82	118,296	62,467	500	181,263
1982-83	121,960	66,215	500	188,675
1983-84	125,740	70,188	500	196,428

Notes:

B	Source: Annual Budget
FS	Source: Financial Statement
(1)	New sewer rate adopted, sewer = 100% of water
(2)	New refuse collection rates adopted.
(3)	New taps and connections charges adopted.
(4)	New refuse collection rates adopted.
(5)	Refuse collection fees for E. Maxton, N. Maxton and S. Austin Street included
(6)	New water rates suggested.
(7)	Refuse collection fees for West Maxton included.

TABLE 8, WATER & SEWER FUND REVENUES

Fiscal Year	Water & Sewer Fees(1)	Taps & Connections	Grants(2)	Total
1971-72[FS]	$ 55,252	$4,935	---	$ 60,187
1972-73[FS]	56,717	2,070	---	58,787
1973-74[FS]	54,683	2,697	$14,300	71,680
1974-75[FS] (3)	68,791	2,617	5,300	76,708
1975-76[FS]	69,324	4,005	---	73,329
1976-77[FS] (4)	84,106	8,050	5,300	97,456
1977-78[B]	88,000	4,000	3,730	95,730
PROJECTION	+3%/year	+5%/year	---	
1978-79[B]	$ 88,000	$5,000	---	$ 93,000
1979-80	90,640	5,250	---	95,890
1980-81(5)	109,230	5,513	---	114,743
1981-82	112,507	5,789	---	118,296
1982-83	115,882	6,078	---	121,960
1983-84	119,358	6,382	---	125,740

Notes:

B Source: Annual Budget
FS Source: Financial Statement
(1) Water & Sewer Fees include Cost Recovery Revenues
(2) Grants are not included in "Charges for Services" on Table 10, "Revenue Trends and Projections." The sewer reimbursement grants shown here are included on Table 10 in "Other Intergovernmental Revenue."
(3) New water rates adopted, sewer rate = 60% of water.
(4) Sewer rate = 100% of water rate.
(5) Change in water rates in 1980-81 suggested, reflecting approximately 5% increase/year since 1974-75 (17% total). Estimate for 1980-81 is 17% larger than 1979-80.

Other General Government Revenues are projected to increase at an annual rate of 5% from a base of $50,700 for FY 1978-79. This amount represents the predictable revenues available to the Town. Annexation will not significantly affect regular revenues in this category. Previous fiscal years have shown a wide fluctuation in "Other" revenues due to a variety of federal, state, and county grants. The following table shows projections for the regular "Other" revenues and the various bond issues and grants scheduled in the Capital Improvements Program. Estimated Fund Balances, equal to the sum of the previous year's Reserve Fund and the balance of Total Revenues less Total Expenditures, are also shown in Table 9.

TABLE 9, OTHER GENERAL GOVERNMENT REVENUES

Fiscal Year	Other (1)	Fund Balances	Grants	Bonds	Total
1978-79	$50,700	$30,000	$660,000 (2)	---	$740,700
1979-80	53,235	28,331	250,000 (3)	$450,000 (4)	781,566
1980-81	55,897	71,866	---	130,000 (5)	257,783
1981-82	58,692	90,068	---	---	148,760
1982-83	61,627	6,935	---	---	68,562
1983-84	64,708	4,912	---	---	69,620

Notes:
(1) Regular "Other" revenues to increase at 5% annually.
(2) $500,000 Community Development Block Grant
$160,000 Federal Public Works Grant
(3) Robeson County Water System Grant
(4) West Maxton Sewer Project
(5) Town Hall and Police Headquarters

TABLE 10, REVENUE TRENDS AND PROJECTIONS

Fiscal Year	Property Tax Collected	Intergovernmental Revenue			Permits & Licenses	Interest	Charges for Services	Other	Total
		Federal	Tax By State	Other					
1970-71^{FS}	$ 63,639	--	$ 24,139	$ 10,000	$3,046	$1,053	$ 74,449	$ 10,365	$ 186,692
1971-72^{FS}	68,962	--	25,993	39,828	3,089	972	72,883	12,073	223,802
1972-73^{FS}	82,952	--	30,707	42,193	3,590	2,702	77,352	106,342	345,840
1973-74^{FS}	73,195	$14,300	48,061	46,243	2,722	3,487	74,182	51,028	313,219
1974-75^{FS}	99,064	5,300	54,333	47,785	2,898	5,003	79,222	109,182	402,787
1975-76^{FS}	79,668	52,306	51,381	48,084	3,296	2,140	96,328	12,941	346,145
1976-77^{FS}	108,652	53,002	59,647	284,727	4,783	3,603	116,183	74,704	705,301
1977-78^{B}	102,300	43,500	61,300	44,730	3,825	2,500	118,500	107,400	484,055
Ave. Inc.	--	--	6.6%	--	5.5%	--	7.27%	--	--
Projection	Table 12	$42,000 + 5.0%	6.0%	$ 30,000 + 1%	5.0%	$5,000/ yr.	Table 7	Table 9	--
1978-79	$107,000	$42,000	$64,978	$ 30,000	$4,016	$5,000	$131,500	$740,700	$1,125,194
1979-80	130,800	61,887	95,899	39,644	4,217	5,000	148,958	781,566	1,267,971
1980-81	166,400	69,149	105,983	42,772	4,428	5,000	174,174	257,783	825,659
1981-82	178,500	72,606	112,342	43,200	4,649	5,000	181,263	148,760	746,320
1982-83	179,900	76,236	119,083	43,632	4,882	5,000	188,675	68,562	685,970
1983-84	181,300	80,048	126,228	44,068	5,126	5,000	196,428	69,620	707,818

Notes: FS Source: Financial Statements
B Source: Annual Budget

PROPERTY TAX

Property Tax trends and projections depend on two variables - the assessed valuation of property and the tax rate. Assessed valuation generally increases with the growth of the town and the addition of new buildings and personal property. The projections shown in Table 11 also include increases due to annexation of new areas to the town. Revaluation of real property is required every eight years and this usually results in an overall increase in assessed valuation although some properties may decrease in value in the process.

The projected assessed valuation is based on an annual increase of 0.5% for additional listing of real property and increases in listings of personal property. The last revaluation for Robeson County was in 1972, effective in FY 1973-74. The next revaluation will be in 1980, effective in FY 1981-82. The projection shows an annual increase of 6%, compounded annually from the base year of 1976-77 for the revaluation. The assessed valuation of the S. Austin Street, East Maxton, and North Maxton annexation is added in FY 1978-80, and the assessed valuation of the West Maxton annexation is added in FY 1980-81. The "Projection" is the property tax valuation used in Table 12 for the calculation of property tax rates and collections. This projection is also used in Table 13, "Bonding Capacity."

TABLE 11, PROJECTED PROPERTY VALUATION

Fiscal Year	Increase @ 0.5% (Growth)	Increase @ 6% (Revaluation)	Projection
1976-77	$11,666,000	$11,666,000	$11,666,000
1977-78	11,724,000	12,366,000	11,724,000
1978-79	11,783,000	13,108,000	11,783,000
1979-80 (1)	13,659,000	16,026,000	13,659,000
1980-81 (2)	15,162,000	18,763,000	15,162,000
1981-82 (3)	---	19,889,000	19,889,000
1982-83	19,989,000	21,083,000	19,989,000
1983-84	20,088,000	22,347,836	20,088,000

Notes: (1) Assessed valuation for S. Austin Street, East Maxton, and North Maxton annexation areas added.
(2) Assessed valuation for West Maxton annexation area added.
(3) Revaluation effective (annual increase @ 6%)

The projected tax rates shown in Table 12 are those required to raise adequate revenue for each tax year. The projected current tax collection rate of 95% is optimistic compared to previous rates.

TABLE 12, PROPERTY TAX - TRENDS & PROJECTIONS

Fiscal Year	Property Valuation	Per cent Change	Tax Rate Per $100	Tax Levy	Collection Cur. Tax	% of Total Levy	Collection Prior Tax	Collection Total Tax	Collection As % of Levy
1970-71^{FS}	$ 7,681,000	+ 6.3%	$ .86	$ 66,341	$ 51,277	77.3%	$12,362	$ 63,639	95.9%
1971-72^{FS}	8,689,000	+13,0%	.88	76,580	61,134	79.8%	7,828	68,692	90.1%
1972-73^{FS}	9,461,000	+ 8.9%	.83	78,055	66,210	84.8%	16,741	82,952	106.3%
1973-74^{FS}	11,436,000	+20.9%	.88	94,350	68,795	72.9%	4,400	73,195	77.5%
1974-75^{FS}	10,562,000	- 7.6%	.88	94,243	73,173	77.6%	25,891	99,063	105.1%
1975-76^{FS}	10,692,000	+ 1.2%	.88	93,829	69,834	74.4%	8,231	78,065	83.2%
1976-77^{FS}	11,666,000	+ 9.1%	.88	102,671	82,988	80.8%	26,266	109,215	106.4%
1977-78RB	11,724,000	+ 0.5%	.88	100,232	85,000	85.0%	18,000	103,000	102.8%
Ave. Inc.		6.2%	Stable (as req'd.)						
Projection	Table 11								
1978-79	11,783,000		.88	103,690	100,000	±95%	7,000	107,000	107.0%
1979-80	13,659,000		.95	129,800	123,300	95%	7,500	130,800	100.8%
1980-81	15,162,000		1.10	166,800	158,400	95%	8,000	166,400	99.8%
1981-82	19,889,000		.90	179,000	170,000	95%	8,500	178,500	99.4%
1982-83	19,989,000		.90	179,900	170,900	95%	9,000	179,900	100.0%
1983-84	20,088,000		.90	180,800	171,800	95%	9,500	181,300	99.3%

Notes: FS Source: Financial Statements
RB Source: Revised Budget

BONDING CAPACITY

Projections of the bonding capacity by fiscal year for Maxton are shown in Table 13. The projections for property valuation are taken from Table 11. The outstanding bond balances are taken from the bond schedules included in the Appendix. Although the 1968 Sewer Project Bond is not subject to the 8% debt limit, the outstanding amount is included for purposes of this analysis.

The projections show that the proposed bond issues are within the statutory limits and that an adequate reserve is maintained for emergencies.

TABLE 13, PROJECTED BONDING CAPACITY

Fiscal Year	Assessed Valuation	Bond Limit (8%)	Outstanding Bond Balance Existing	Outstanding Bond Balance Proposed	Additional Capacity
1978-79	$11,783,000	$ 942,640	$65,000		$ 877,640
1979-80	13,659,000	1,092,720	60,000	$450,000	582,720
1980-81	15,162,000	1,212,960	55,000	565,000	592,960
1981-82	19,889,000	1,591,120	50,000	543,500	997,620
1982-83	19,989,000	1,599,120	45,000	522,000	1,032,120
1983-84	20,088,000	1,607,040	40,000	500,500	1,066,540

VI. OTHER FISCAL POLICIES

There are many town policies, some adopted officially and others accepted as traditional, which affect the make-up of each annual budget and the revenues and expenditures shown in each budget. Policies concerning collection of property taxes and desired levels of Reserve Funds and Operating Contingency directly affect the annual budget. Policies on charges for water and refuse collection fees affect the amount of revenue, while policies on paving subdivision streets affect how much must be spent on street improvements. The Board of Commissioners needs to be aware of the following issues and to consciously establish policies which are fiscally sound and equitable to all residents of the Town.

Reserve Funds and Contingencies are budgeted in each Fund or Department budget to provide for unforeseen emergencies and to maintain reserves which are already appropriated for a speific project but probably won't be spent until the following year. These are generally accepted budget practices, and required contingencies may vary according to ability to forecast an individual department's expenditures. Contingencies should be realistic and not become an excuse for not designating expenditures or more closely estimating budget requirements. In addition to specific appropriations, Reserve Funds can be used to build up general fund balances to meet large future expenses, thus accumulating revenues over several years and evening out the tax rates. The Reserve Funds shown in Table 9 are relatively small except for unexpended balances of bond issues. The annual budgets actually have additional reserves and contingencies within each department or category of expenditure.

Charges for services provide a substantial portion of the Town's revenues. Services for which Maxton charges fees are water and sewer service, refuse collection, and cemeteries. The State allows municipalities to finance these and other services through "user charges" for services provided to those who voluntarily receive those governmental services. The Board, in establishing policies and schedules of charges for particular services, must be reasonable and equitable. The water and sewer charges are established to make the service self supporting, covering operating expenses, debt service, and required capital improvements for the existing system. Rates should be reviewed periodically to determine if they are adequate to meet expenses and if they are equitable for all classes of users. The Board revised the refuse collection fees for FY 1978-79, making the fees more nearly meet the expenses for refuse collection. Further increases in fees rather than increases in the property tax rate to cover costs of refuse collection would probably impose an unfair burden upon low income residents.

Charges for municipal services outside the corporate limits should be established to recover the full operating expenses as well as the capital investment required to provide those services. Property owners and users in the Town should not be forced to subsidize services to users outside the Town who do not pay taxes.

Bond policies are also important matters for the Town Board. Bonds should be limited to non-recurring expenditures of some size. Annually recurring programs, even though they are of a capital improvement nature, which continue at a fairly steady level should not be bonded if they are of long duration. It is satisfactory to resort to bonds for major, short term improvement projects. Borrowing will even out the tax rates and avoid wide fluctuations caused by major project expenses. Borrowing to even out fluctuations can be kept to a minimum by adopting and adhering to a Capital Improvements Budget which has spread out the various improvements to avoid unusually large combinations in any one fiscal year.

The Board can distribute expenditures for capital improvements among current and future tax payers through bonds. If all improvements are financed on a pay-as-you-go basis from current revenues, the entire burden is on present tax payers. For an expanding town it may be more equitable for major capital improvements to be financed through bonds, whereby future tax payers can share in the financing of the improvements. Financing through bonds is especially appropriate for expansions of the water and sewer system beyond the current corporate limits.

Benefit assessments are used in many communities to assure that those property owners directly benefiting from improvements pay an equitable amount for those improvements. Currently, the present property owners of Maxton are financing the improvements for new subdivisions and other new development in the Maxton area. The Board should seriously consider changes in current policies, ending 100% financing of improvements in newly subdivided or developed areas. The Board could limit 100% financing to areas already developed (land subdivided, streets dedicated, and houses built) by 1978, in order to equitably phase out the old policy. New policies could either require the benefited property owners to provide improvements through subdivision regulations before land is developed or through benefit assessments after the land is developed. The General Statutes provide for protection of property owners through regulations and procedures for benefit assessments by municipalities.

Subdivision Regulations should be adopted by the Town, setting standards for development and regulations requiring the installation of improvements. Improvements provided by the developer are paid through individual lot costs and do not become a tax burden for the entire Town. It may be desirable to lower lot costs by paying for the improvements through taxes, but a growing community could not long afford to finance major developments in order to encourage development.

Annexation is complicated by the fact that most of the proposed annexations will require major expenditures for capital improvements. While these areas are urban in character and require urban services, their annexation will require the Town to make major investments, straining the Town's budget. Future growth of the corporate area would be easier if new development were regulated or if the Town had a policy of paying for improvements through benefit assessments.

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Federal aid programs in recent years have often been designed to increase employment, to train untrained workers, or to benefit the local economy through increased spending. These funds from outside the community can help the Town to make improvements which would not normally be feasible through local funds. Generally, the Town should not depend on special, federally funded programs for the basic Town services. Changes in those programs are unpredictable and not controllable at the local level. If the Town were to rely on outside funds for basic services, the Town might find that it is not able to maintain the level of services from local revenues.

Some federal and state programs are incentive types of programs, either funding a part of the program each year or funding the program for a limited period. Programs are often funded in this way to encourage localities to undertake programs they might not otherwise find desirable or financially possible. The Town Board should be aware of the long-term costs of the programs and be willing to fully fund such programs when outside aid is ended.

Sources of revenues for municipalities have changed in recent years, with increased state and federal aid reducing the necessity for raising local revenues. Table 14 shows the sources of revenues in percentages. Generally, the Property Tax and Charges for Services, the two major local revenue sources, are decreasing. Proposed major federal grants artificially decreased the percent of local revenues in FY 1978-79 and FY 1979-80. It should be kept in mind that CETA funds are not included in the budgets after FY 1976-77. CETA funds contribute over $130,000 for employees currently providing services for the Town. If this were included in the annual budgets, the percent of revenue from local sources would be even lower, similar to FY 1976-77 when the budget included CETA funds.

TABLE 14, REVENUE BY SOURCE (PERCENT OF TOTAL - LESS INTERFUND TRANSFERS)

Fiscal Year	Property Tax	Intergovernmental Revenue			Permits & Licenses	Interest	Charges for Services	Other
		Federal	State	Other				
1970-71	34.1%	---	12.9%	5.4%	1.6%	0.6%	39.9%	5.5%
1971-72	30.8	---	11.6	17.8	1.4	0.4	32.6	5.4
1972-73	24.0	---	8.9	12.2	1.0	0.8	22.4	30.7
1973-74	23.4	4.6%	15.3	14.7	0.9	1.1	23.7	16.3
1974-75	24.6	1.3	13.5	11.9	0.7	1.2	19.7	27.1
1975-76	23.0	15.1	14.9	13.9	1.0	0.6	27.8	3.7
1976-77	15.4	7.5	8.4	40.4	0.7	0.5	16.5	10.6
1977-78	21.1	9.0	12.7	9.2	0.8	0.5	24.5	22.2
Projection								
1978-79	9.8	3.8	5.9	2.7	0,4	0.5	12.0	64.9
1979-80	10.6	5.0	7.7	3.2	0.3	0.4	12.0	60.8
1980-81	22.1	9.2	14.0	5.7	0.6	0.7	23.1	24.6
1981-82	27.2	11.1	17.1	6.6	0.7	0.8	27.6	8.9
1982-83	26.5	11.2	17.5	6.4	0.7	0.8	27.8	9.1
1983-84	25.8	11.4	18.0	6.3	0.7	0.7	27.9	9.2

VII. SUMMARY

There are three basic steps in the capital planning and budget process: (1) the Capital Improvements Program, a six-year forecast of capital needs, (2) the Recommended Capital Improvements Budget, the capital improvements scheduled for the current fiscal year, and (3) the Capital Budget, the actual appropriation of funds for the projects.

The Capital Improvements Program is a six-year schedule or plan. It is not a legal instrument for authorizing the raising or spending of money. When tentative Town operating and capital improvements budgets have been balanced with revenues, these budgets constitute a preliminary program for review by the Town Board. The usual procedure is for the Board to adopt the first year of the C.I.P. and incorporate it as a part of the Annual Budget. The Board then tentatively authorizes the remainder of the program, subject to annual revisions and reauthorizations. These authorizations are not binding on future Boards.

It should be noted that this program and budget are not rigid schedules to be followed regardless of unforeseen changes. Rather they are guides or references to be deviated from for a good cause. To be of continuing value, these schedules should be reviewed and revised annually or bi-annually. The C.I.P. is conceived of as an annual process and in larger jurisdictions is repeated every year. In smaller units, new capital project requests may not be generated as frequently since capital needs are not growing as fast and budget requirements are not changing greatly from one year to the next. Maxton may find it best to repeat the C.I.P. process every other year. However, it is best to maintain at least a biannual C.I.P. process to avoid crisis actions and to allow for successive reviews of projects and for adequate searches for capital funds. The C.I.P. can be extended another two years each time to maintain a six-year study period.

NC General Statutes permit appropriations for capital outlays to be approved and enacted in either the annual budget ordinance (and its amendments) or a capital projects ordinance.

1. Annual Budget: project costs listed in the current year of the C.I.P. become the recommended capital budget for the coming year. Costs are then included in the annual budget ordinance to secure authorization and appropriation of funds for them. Appropriations can be made either when the ordinance is originally enacted or in amendments to the annual budget ordinance during the fiscal year.

2. Capital Projects Ordinance: a capital projects ordinance appropriates the full amount of money required to complete a project. The appropriation is not tied to a particular fiscal year but lasts as long as it takes to complete or acquire the project or facility. For projects with costs occurring over several years, the appropriation is made for the entire amount at the start rather than phased by year along with the costs. A capital projects ordinance can either be inclusive of all

capital projects for that year, or separate ordinances may be adopted for each significant or major project or purchase.

Thus, there are four different ways of appropriating money for capital projects, outlays, or costs that are brought forward from the Capital Improvements Program:

1. Appropriation in the annual budget ordinance when it is originally enacted on or around July 1. The appropriation is for the fiscal year.

2. Appropriation via amendment(s) to the annual budget ordinance that are enacted during the fiscal year. The appropriation is for the remaining portion of the fiscal year.

3. Appropriation in a comprehensive capital projects ordinance that includes all new capital projects and outlays approved in a year. For each project, the appropriation is in full and lasts for the project's life.

4. Appropriation in individual capital projects ordinances. There is one such ordinance for each new project or outlay, and it is likely to be enacted during the course of a year. The appropriation established by each such ordinance covers full project cost and lasts for the project's life.

APPENDIX

TABLE 15, DEBT SERVICE SCHEDULE - 1969 SEWER PROJECT

Source: NC Local Government Commission

Fiscal Year	Old Balance	Payments		
		Principal	Interest	Total
1968-69	$110,000	-0-	$3,091.25	$ 3,091.25
1969-70	110,000	$5,000	6,182.50	11,182.50
1970-71	105,000	5,000	5,882.50	10,882.50
1971-72	100,000	5,000	5,582.50	10,582.50
1972-73	95,000	5,000	5,282.50	10,282,50
1973-74	90,000	5,000	4,982.50	9,982.50
1974-75	85,000	5,000	4,682.50	9,682.50
1975-76	80,000	5,000	4,382.50	9,382.50
1976-77	75,000	5,000	4,082.50	9,082.50
1977-78	70,000	5,000	3,782.50	8,782.50
1978-79	65,000	5,000	3,482.50	8,482.50
1979-80	60,000	5,000	3,182.50	8,182.50
1980-81	55,000	5,000	2,922.50	7,922.50
1981-82	50,000	5,000	2,662.50	7,662.50
1982-83	45,000	5,000	2,400.00	7,400.00
1983-84	40,000	5,000	2,137.50	7,137.50
1984-85	35,000	5,000	1,875.00	6,875.00
1985-86	30,000	5,000	1,610.00	6,610.00
1986-87	25,000	5,000	1,345.00	6,345.00
1987-88	20,000	5,000	1,080.00	6,080.00
1988-89	15,000	5,000	810.00	5,810.00
1989-90	10,000	5,000	540.00	5,540.00
1990-91	5,000	5,000	270.00	5,270.00

TABLE 16, DEBT SERVICE SCHEDULE - PROPOSED 1979 SEWER PROJECT

$450,000 - 30 Years - 5% Interest)

Fiscal Year	Old Balance	Payments Principal	Interest	Total
1979-80	$450,000	-0-	$22,500	$22,500
1980-81	450,000	$15,000	22,500	37,500
1981-82	435,000	15,000	21,750	36,750
1982-83	420,000	15,000	21,000	36,000
1983-84	405,000	15,000	20,250	35,250
1984-85	390,000	15,000	19,500	34,500
1985-86	375,000	15,000	18,750	33,750
1986-87	360,000	15,000	18,000	33,000
1987-88	345,000	15,000	17,250	32,250
1988-89	330,000	15,000	16,500	31,500
1989-90	315,000	15,000	15,750	30,750
1990-91	300,000	15,000	15,000	30,000
1991-92	285,000	15,000	14,250	29,250
1992-93	270,000	15,000	13,500	28,500
1993-94	255,000	15,000	12,750	27,750
1994-95	240,000	15,000	12,000	27,000
1995-96	225,000	15,000	11,250	26,250
1996-97	210,000	15,000	10,500	25,500
1997-98	195,000	15,000	9,750	24,750
1998-99	180,000	15,000	9,000	24,000
1999-2000	165,000	15,000	8,250	23,250
2000-01	150,000	15,000	7,500	22,500
2001-02	135,000	15,000	6,750	21,750
2002-03	120,000	15,000	6,000	21,000
2003-04	105,000	15,000	5,250	20,250
2004-05	90,000	15,000	4,500	19,500
2005-06	75,000	15,000	3,750	18,750
2006-07	60,000	15,000	3,000	18,000
2007-08	45,000	15,000	2,250	17,250
2008-09	30,000	15,000	1,500	16,500
2009-10	15,000	15,000	750	15,750

TABLE 17, DEBT SERVICE SCHEDULE
PROPOSED 1980 TOWN HALL ADDITION & POLICE HEADQUARTERS

($130,000 - 20 Years - 5% Interest)

Fiscal Year	Old Balance	Payments		
		Principal	Interest	Total
1980-81	$130,000	-0-	$6,500	$ 6,500
1981-82	130,000	$6,500	6,500	13,000
1982-83	123,500	6,500	6,175	12,675
1983-84	117,000	6,500	5,850	12,350
1984-85	110,500	6,500	5,525	12,025
1985-86	104,000	6,500	5,200	11,700
1986-87	97,500	6,500	4,875	11,375
1987-88	91,000	6,500	4,550	11,050
1988-89	84,500	6,500	4,225	10,725
1989-90	78,000	6,500	3,900	10,400
1990-91	71,500	6,500	3,575	10,075
1991-92	65,000	6,500	3,250	9,750
1992-93	58,500	6,500	2,925	9,425
1993-94	52,000	6,500	2,600	9,100
1994-95	45,500	6,500	2,275	8,775
1995-96	39,000	6,500	1,950	8,450
1996-97	32,500	6,500	1,625	8,125
1997-98	26,000	6,500	1,300	7,800
1998-99	19,500	6,500	975	7,475
1999-2000	13,000	6,500	650	7,150
2000-01	6,500	6,500	325	6,825

TABLE 1A, CAPITAL IMPROVEMENTS PROGRAM WITHOUT ANNEXATION

DEPARTMENT/ITEM	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	COMMENTS
ADMINISTRATION							
1. MISC. EQUIP. & FURN.		$ 1,000					TYPEWRITER
2. COMPUTER/BOOKKEEPER	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000		C.R.F. - PURCHASE 1983
3. TOWN CAR (77 FORD)				$ 5,800			EST. 4 YEAR LIFE
4. TOWN HALL ADD. (COURT)		$ 4,000	$ 40,000	$ 40,000			DESIGN 1979-80 ($80,000 BOND ISSUE)
POLICE DEPARTMENT							
5. PATROL CAR #1 (77 PL)	$ 5,800		$ 6,300		$ 6,950		REPLACE EVERY 2 YEARS
6. PATROL CAR #2 (75 FD)		$ 6,000		$ 6,600		$ 7,300	REPLACE EVERY 2 YEARS
7. MISC. EQUIPMENT							
8. HEADQUARTERS				$ 50,000			($50,000 BOND ISSUE)
FIRE DEPARTMENT							
9. PUMPER #1 (1974)							CAPITAL RESERVE FUND TO PURCHASE NEW PUMPER IN 1984-85 TO REPLACE PUMPER #3. EST. COST $45,000
10. PUMPER #2 (1957)							
11. PUMPER #3 (1938)	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	
12. EQUIPMENT							
CEMETERIES							
13. OAK GROVE			$ 5,000				ADD 5 ACRES @ $1,000/ACRE
14. McLEOD							
STREETS							
15. PAVING, CURB & GUTTER	$ 22,500	$ 23,000	$ 10,000	$ 25,000	$ 30,000	$ 35,000	
16. STORM DRAINAGE							
PUBLIC WORKS							
17. GARAGE/WAREHOUSE	$160,000						$125-$160,000 PUBLIC WORKS
PUBLIC WORKS EQUIPMENT							
18. PICK UP #1 (70 CHEV)	$ 4,000						REVENUE - SHARING
19. PICK UP #2 (70 CHEV)		$ 4,200					REVENUE - SHARING
20. PICK UP #3 (78 CHEV)							
21. PICK UP #4 (72 DODGE)				$ 4,600			REVENUE - SHARING
22. PICK UP #5 (FORD)			$ 4,400				REVENUE - SHARING
23. 2 1/2 T. TRUCK (69 FD)			$ 2,750				REPLACE WITH USED TRUCK FROM D.O.T. - 4 YEAR LIFE (POWELL BILL)
24. 2 1/2 T. TRUCK (67 FD)		$ 2,600				$ 3,200	
25. TRUCK (73 CH)							
26. DUMP TRUCK	$ 2,500				$ 3,050		ADD. USED TRUCK (4 YR. LIFE)
27. STREET SWEEPER (67)			$ 30,000				REPLACEMENT (P.B., R-S)
28. GALION GRADER							
29. DOZER - CASE 1150	$ 10,000						MAJOR REPAIR (R-S)
30. TRACTOR (74 IH)							10-15 YEAR LIFE
31. BACK HOE (70 IH)							15-20 YEAR LIFE
32. BACK HOE (73 IH)			$ 8,000	$ 8,000	$ 8,000		LEASE PURCHASE (W & S)
33. MISC. W & S EQUIP.						$ 5,000	(W & S)
WATER SYSTEM							
34. WELL & ELEV. STORAGE		$250,000					CO. WATER SYSTEM GRANT
35. ANNUAL SYSTEM C.I.	$ 6,000	$ 6,000	$ 8,000	$ 8,000	$ 10,000	$ 10,000	(W & S)
SEWER SYSTEM							
36. "201" TREAT. & SYST.							
37. ANNUAL SYSTEM C.I.	$ 10,000	$ 9,783	$ 15,300	$ 15,377	$ 13,298	$ 16,177	(W & S)
TOTALS							
MAJOR CAP. IMPROVEMENTS	$213,800	$299,800	$107,450	$141,000	$ 49,000	$ 50,500	
WATER & SEWER	$ 16,000	$ 15,783	$ 31,300	$ 31,377	$ 31,298	$ 31,177	
TOTAL	$229,800	$315,583	$138,750	$172,377	$ 80,298	$ 81,677	

TABLE 2A, GENERAL GOVERNMENT EXPENDITURES
(WITHOUT ANNEXATION)

Fiscal Year	Mayor & Town Board	Administration	Other	Refuse Collection	Total	% Change
1977-78	$4,620	$ 81,855	$20,600	$48,632	$155,707	
1978-79	5,040	80,918	11,200	50,000	147,158	-6.7%
1979-80	5,040	85,773	11,872	52,500	155,185	+5.4%
1980-81	5,040	90,919	12,584	55,125	163,668	+5.5%
1981-82	5,500	96,374	13,339	57,881	173,094	+5.7%
1982-83	5,500	102,156	14,139	60,775	182,570	+5.4%
1983-84	5,500	108,285	14,987	63,814	192,586	+5.5%

TABLE 3A, PUBLIC SAFETY EXPENDITURES
(WITHOUT ANNEXATION)

Fiscal Year	Police Dept.	Fire Dept.	Total	% Change
1977-78	$77,422	$ 9,360	$ 86,782	---
1978-79	76,840	9,475	86,315	-0.5%
1979-80	80,682	9,664	90,346	+4.7%
1980-81	84,716	9,858	94,574	+4.7%
1981-82	88,952	10,055	99,007	+4.7%
1982-83	93,400	10,256	103,656	+4.7%
1983-84	98,070	10,461	108,531	+4.7%

TABLE 6A, EXPENDITURE BY FUNCTION
(PROJECTION - WITHOUT ANNEXATION)

Fiscal Year	General Govern-ment (1)	Public Safety (2)	Streets (3)	Debt Ser-vice (4)	Total Current	Water & Sewer (5)	Major Cap. Improve-ments (6)	Reserve Funds	Total Budget
1978-79	$147,158	$ 86,315	$50,740	--	$284,213	$ 93,000	$213,800	$ 30,000	$621,013
1979-80	155,185	90,346	54,292	--	299,823	95,890	299,800	35,000	730,513
1980-81	163,668	94,574	58,092	$ 6,500	322,834	114,743	107,450	105,000	650,027
1981-82	173,094	99,007	62,158	13,000	347,259	118,296	141,000	25,000	631,555
1982-83	182,570	103,656	66,509	12,675	365,410	121,960	49,000	30,000	566,370
1983-84	192,586	108,531	71,165	12,350	384,632	125,740	50,500	30,000	590,872

Notes:
(1) Source: Table 2A
(2) Source: Table 3
(3) Projection: 7% annual increase
(4) Source: Table 17
(5) Source: Table 5
(6) Source: Table 1A

TABLE 7A, CHARGES FOR SERVICES
(PROJECTION - WITHOUT ANNEXATION)

Fiscal Year	Water & Sewer Charges(1)	Refuse Collection	Fire Protection	Total
1978-79	\$ 93,000[B]	\$38,000[B]	\$500[B]	\$131,500[B]
1979-80	95,890	40,280	500	136,670
1980-81	114,743(2)	42,700	500	157,943
1981-82	118,296	45,260	500	164,056
1982-83	121,960	47,980	500	170,440
1983-84	125,740	50,850	500	177,090

Notes: B Source: annual budget
(1) See Table 8 for projection of Water & Sewer Charges
(2) New water rates suggested.

TABLE 9A, OTHER GENERAL GOVERNMENT REVENUES
(PROJECTION - WITHOUT ANNEXATION)

Fiscal Year	Other[1]	Fund Balance	Grants	Bonds	Total
1978-79	\$50,700	\$ 30,000	\$160,000	---	\$240,700
1979-80	53,235	34,181	250,000	---	337,416
1980-81	55,897	39,767	---	\$130,000	225,664
1981-82	58,692	109,422	---	---	168,114
1982-83	61,627	25,784	---	---	87,411
1983-84	64,708	30,367	---	---	95,075

[1] Regular "Other" revenues to increase at 5% annually.

TABLE 10A, REVENUE PROJECTIONS WITHOUT ANNEXATION

Fiscal Year	Property Tax Collected(1)	Intergovernmental Revenue			Permits & Licenses(5)	Interest(6)	Charges for Services(7)	Other(8)	Total
		Federal(2)	Tax by State(3)	Other(4)					
1978-79	$107,000	$42,000	$64,978	$30,000	$4,016	$5,000	$131,500	$240,700	$625,194
1979-80	108,700	44,100	68,877	30,300	4,217	5,000	136,670	337,416	735,280
1980-81	111,500	46,305	73,009	30,600	4,428	5,000	157,943	225,664	654,449
1981-82	133,600	48,620	77,390	30,910	4,649	5,000	164,056	168,114	632,339
1982-83	134,700	51,051	82,033	31,220	4,882	5,000	170,440	87,411	566,737
1983-84	138,300	53,604	86,955	31,530	5,126	5,000	177,090	95,075	592,680

Notes:
(1) Source: Table 12A
(2) Projection: 5% annual increase
(3) Projection: 6% annual increase
(4) Projection: 1% annual increase
(5) Projection: 5% annual increase
(6) Stable
(7) Source: Table 7A
(8) Source: Table 9A

TABLE 11A, PROJECTED PROPERTY VALUATION (NO ANNEXATION)

Fiscal Year	Increase @ 0.5%	Increase @ 6%	Projection
1976-77 (Base)	$11,666,000	$11,666,000	$11,666,000
1977-78	11,724,000	12,366,000	11,724,000
1978-79	11,782,000	13,108,000	11,782,000
1979-80	11,842,000	13,894,000	11,842,000
1980-81	11,901,000	14,728,000	11,901,000
1981-82	---	15,612,000	15,612,000
1982-83	15,690,000	16,549,000	15,690,000
1983-84	15,768,000	17,542,000	15,768,000

The projection for assessed valuation is based on an annual increase of 0.5% for additional listing of real property and increased value of personal property. The last revaluation was in 1972, effective in the 1973-74 fiscal year. The next revaluation will be in 1980, effective in the 1981-82 fiscal year, since revaluation is required every 8 years. The projection shows an increase of 6%, compounded annually from the 1976-77 assessed valuation.

TABLE 12A, PROPERTY TAX PROJECTIONS WITHOUT ANNEXATION

Fiscal Year	Property Valuation	Per cent Change	Assess. Ratio	Tax Rate Per $100	Tax Levy	Collection Current Tax	% Total Levy	Collection Prior Tax	Collection Total Tax
1978-79	$11,783,000	+0.5%	100%	$ .88	$103,690	$100,000	±95%	$7,000	$107,000
1979-80	11,842,000	+0.5%	100%	.90	106,600	101,200	95%	7,500	108,700
1980-81	11,901,000	+0.5%	100%	.92	109,500	104,000	95%	7,500	111,500
1981-82	15,612,000	+6.0%(1)	100%	.85	132,700	126,100	95%	7,500	133,600
1982-83	15,690,000	+0.5%	100%	.85	133,400	126,700	95%	8,000	134,700
1983-84	15,768,000	+0.5%	100%	.87	137,200	130,300	95%	8,000	138,300

Note: (1) compounded from 1976-77